the Central Silk Board through the Ministry of Textiles to stop the import of raw silk on account of its alleged misusue.

Although raw silk has been included in the Negative List of Imports, its import is permitted under the Duty Exemption Scheme to enable the exporters to meet their requirements of raw silk for export production. Keeping in view the genuine requirements of exporters, import of raw silk may continue to be allowed under the Duty Exemption Scheme. However, the Government have taken the following steps to restrict the import of raw silk and prevent its misuse under this Scheme.

(i) The Input-Output norms for import of raw silk under the Duty Exemption Scheme have been revised.

(ii) The facility of Value Based Advance Licensing has been withdrawn in the case of silk textile products.

(iii) Pre-Shipment inspection scheme has been re-introduced for silk products exported against import of raw silk made under the Duty Exemption Scheme.

Private Sector Participation in EPZs

727. SHRI KAMAL MORARKA: Will the Minister of COMMERCE be pleased to state:

(a) whether there is any proposal under Government's consideration to permit private Sector participation in the management of Export Promotion Zones in a bid to improve their performance;

(b) if so, the details thereof and reasons therefor;

(c) whether such public/private partnership would be successful in the country; and

(d) if so, what is Government's reaction thereto?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) Suggestions have been mooted for harnessing private/joint sector resources in strengthening the infrastructure of Export Processing Zones, but there is no proposal under the consideration of the Government to permit private sector management of the existing Zones.

(b) to (d) Do not arise.

Frauds under VABAL Scheme

728. SHRI SUNDER SINGH BHANDARI:
SHRI G.Y. KRISHNAN:
DR. NAUNIHAL SINGH:
SHRI KRISHNA KUMAR BIRLA:

Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that certain cases of fraud have been reported under the Value-Based Advanced Licensing Scheme (VABAL);

(b) if so, the number and nature of such cases;

(c) what has been loss of revenue in these cases;

(d) what has been its impact on the local market; and

(e) whether Government are considering withdrawal of the scheme?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) to (c) Complaints about misuse of Value-Based Advance Licences under Duty Exemption Scheme for import of plastic raw materials have been received. These complaints contain allegations regarding import of large quantity of plastic raw materials dis-proportionate to the exports made and over-invoicing of export product. While some cases of misuse have been detected by the Directorate of Revenue Intelligence, investigations so far have not revealed any large-scale fraud. As such the loss of revenue cannot be estimated.

(d) Representations have also been received that prices of certain commodities have come down in the domestic market as a result of the misuse